Pacific suggested that the PSSC should be applicable to all access calls that result in completion of an intraLATA non-coin call. Pacific agreed that the PSSC should be applicable to the calls listed above except debit card calls and 1-800-subscriber type calls. From Pacific's viewpoint, 1-800-CALLINFO type of calls were questionable for applying the PSSC. For 0- calls, Pacific agreed that if a 0-call were to lead to a charged call, the PSSC would apply. GTEC supported Pacific's position.

CPA held the position that the PSSC should apply to all non-coin intraLATA calls billed with the participation of an IEC. Consistent with that approach, CPA agreed with Pacific's list of call types but would include intraLATA calls made from a pay telephone using debit cards and 1-800-CALLINFO calling patterns. G-5 Corporation, the San Diego Payphone Association and Amtel Communications, Inc. supported CPA's position.

AT&T stated that they did not have a mechanism to collect a PSSC on debit card calls.

Sprint's position is that to the extent a PSSC is required, the PSSC should apply only to non-coin intraLATA calls carried by a presubscribed carrier. These calls originate by the customer dialing 0- or 0+XXX-XXX-XXXX. The PSSC currently applies only to this category of calls. Sprint and MCI agreed that compensation on this type of call should be negotiated by the presubscribed carrier and the pay telephone provider. Carriers could agree to implement a PSSC, offer the provider an alternative form of compensation, or simply not bid to be the presubscribed carrier. LDDS has the technical ability to collect the PSSC for any pay telephone provider which has chosen LDDS to process end user-dialed "0+" intraLATA calls.

ISSUE # 2

IMPLEMENTING THE PSSC BY TYPE OF CALL

The participants spent a substantial amount of the workshop time analyzing the capacity of the IECs to carry various types of non-coin calls to which the participants proposed to have the PSSC apply described previously. The ability to apply the PSSC to debit cards was not considered. 0- and 411 calls are not revenue producing calls and were not considered eligible for the PSSC. The participants did recognize that 0- and 411 call types could lead to revenue producing calls, to which the PSSC would apply.

The positions of the participants with respect to their ability to currently perform the various functions involved in collecting, billing and remitting the PSSC are set forth below. For 0+ calls, the participants discussed in general terms their ability to implement the PSSC. The discussion became more specific with respect to 10XXX, 950-XXXX and 1-800 access call types. The information for these latter calls is provided in charts. The charts describe the four functions that an IEC must be able to perform in order to implement the PSSC. The category described as "ANI" refers to the ability of the carrier to capture the ANI or automatic number identification. "LATA" refers to whether the carrier can identify the call as originating from within the LATA and its ability to distinguish between inter and intra LATA calls. "Rate" refers to whether the carrier has the capability to rate the call including the applicable PSSC. "Remit" refers to whether the IEC is able to remit the collected PSSC to the pay telephone owner.

1. <u>0+ Calls</u>

CALTEL stated that its members could implement the PSSC for 0+ intraLATA calls. It appeared that MCI, Sprint, and LDDS could do so also, but each carrier raised specific concerns.

LDDS stated that it could implement the PSSC with respect to 0+ calls by modifying its existing mechanisms to pay commissions on 0+ pay telephone traffic, but in order to do so it would need an agreement with the pay telephone provider and would need to have a data table and a rate structure.

Sprint stated that its policy is to bill and collect from its customers only for Sprint charges which matched its policy position of billing only for pre-subscribed calls. Sprint does not consider the PSSC to be a Sprint charge but to the extent compensation for 0+ presubscribed calls is required, the form of compensation should be left to the presubscribed carrier and the pay station provider to negotiate.

MCI does not want to tariff a charge for a call from a pay telephone for the PSSC when MCI carries the call.

Table 1

2. **10XXX Calls**

Carrier	ANI	LATA	Rate	Remit
AT&T	yes	yes	yes	yes, as of 1/1/95
Sprint	yes	yes	no	no
MCI	yes	yes	no	no
CALTEL	no	no (unworkable)	no	no
LDDS	no	no Not Applicable LDDS Does Not Use 10XXX	no	no

Sprint's LATA calls excludes time and charge quote on a real time basis.

Table 2

3. **1- 800 Access Calls:**

CARRIER	ANI	LATA	Rate	Remit
AT&T	yes On Feature Group B	yes	yes	yes
Sprint	yes	yes	no	no
CALTEL	no Unworkable	no	no	no
LDDS	yes On Feature Group B	no	no	no

A 1-800 call using Feature Group D is the same as a 10XXX call.

MCI cannot process a PSSC for a 1-800 collect call. Sprint's LATA calls exclude time and change quote on a real time basis. Sprint stated that some calls originating on a feature group B trunk, the LEC does not provide ANI needed to identify the calling pay telephone.

Table 3

4. **For a 950-XXXX call:**

Carrier	ANI	LATA	Rate	Remit
MCI	no Uses Feature Group B	no	no	no
CALTEL	no Impossible	no	no	no

Pacific Bell stated that ANI on 950-XXXX would be available by June 1, 1995.

ISSUE # 3

PSSC ALTERNATIVES FOR IECs TO BILL, COLLECT AND REMIT

The participants discussed possible alternatives for implementing the PSSC. Following are the alternatives raised by the participants and a brief discussion of each:

1. **The carrier rates, charges and remits the PSSC to the pay telephone vendor.**

The participants agreed by consensus that this was the preferred method for the purpose of accuracy. AT&T and the LECs were able to implement this alternative promptly but the other IECs were not. Pacific cannot bill the PSSC if the billing record provided is invoice ready. In addition Pacific sends 30% of the calls to be billed to other LECs for billing.

CPA strongly supported this alternative.

2. **A revenue allocation procedure for PSSC compensation. Use an estimated call count to each carrier to pay the PSSC to the pay telephone provider.**

Pacific Bell stated that they were in a position to implement an allocation procedure. The process should be reviewed by the parties before using. The allocation method would not be perfect but would be used as an interim solution. The allocation data should be updated every three months.

CPA stated that it would not be adverse to a categorical exemption for any IEC with an insignificant (5 or 10 percent) share of the market.

4. **The call is not processed because there is no way to collect the PSSC.**

Because FCC rules and LEC tariffs require that carrier access calls be completed by the carrier with the LEC tariffs requiring "coin free, cost free" completions, there could be legal and regulatory problems with a "do not process" solution.

5. **Pay telephone owners bill the IECs.**

The goal is to collect the PSSC from the end user for the use of the pay telephone. G-5 Corporation and CPA representatives stated that COPT providers cannot determine the number of completed calls, only the attempts made. Some COPTs would store the date, time, access number, ANI and duration of the call or attempted call but many COPTs would only be able to count the attempts to an IEC. Pacific cannot track the call detail on its equipment. The cost for Pacific to implement this call detail would be at least $216 million up front costs and a minimum of three years. The IECs would want the call detail from the pay telephones.

6. **A Negotiated PSSC**

The intraLATA presubscribed toll carrier and pay telephone provider could negotiate a mutually acceptable method and level of compensation. Sprint advocated that the PSSC is applicable only to non-coin intraLATA calls carried by a presubscribed carrier and suggested negotiated payments between pay telephone providers and IECs as an alternative to per call compensation.

The LECs and CPA strongly objected to this alternative.

ISSUE # 4

ACCOUNTING ISSUES: PAYMENT, UNBILLABLES AND UNCOLLECTIBLES

When LECS and IECs have their billing tapes processed, there is a percentage of calls that are not able to be billed. These type of calls are referred to as "unbillables". All customers, who get bills for calls, do not pay their bill or some calls made are adjusted by the IEC or the LEC. That portion of the billable calls that is not paid is referred to as "uncollectibles".

ISSUE # 6

IMPLEMENTING THE PSSC

Here are the comments of the IEC participants in response to the question "When can you implement the PSSC ?"

AT&T is prepared to put the PSSC into its own tariffs and implement after January 1, 1995. AT&T has applied the PSSC for all intraLATA operator-assisted calls from pay stations since January 1, 1995. AT&T stated that the cost to put into effect the PSSC was under $200,000 and believes that this expense besides any ongoing administrative costs will be fully covered with the $0.04 AT&T retains from the $0.25 total charge.

MCI stated that new network software products would have to be developed. No time frame or cost estimates were available at the time of the workshop.

Sprint stated that implementing the PSSC in the manner proposed would result in a fundamental change in Sprint's rating, billing and collection systems. Sprint stated that it could take about one and one-half years to implement the PSSC with a rough cost of one to two million dollars. The costs could be as much as three times higher then rough cost estimates depending on a more detailed systems analysis.

LDDS submitted a document (APPENDIX D) to the parties setting forth its development and technical issues for implementing the PSSC. LDDS stated that they would be required to change their current product line to accept ANI. No cost estimates or time frame were available for implementation of the PSSC.

CALTEL stated that a requirement to implement the PSSC would be a financial hardship and may force many of its members into bankruptcy. Excluding MCI, CALTEL's members account for only four percent gross call originations of the pay telephone market. Based on this information, CPA expressed willingness to exempt all IECs other than the four largest (AT&T, MCI, Sprint and LDDS) from the obligation to bill and collect the PSSC.

Pacific provided three alternative proposals for those IECs who were unable to collect and remit the PSSC (APPENDIX C). The alternate proposals are as follows:

1. Billing companies can prepare call records including the PSSC for calls from pay telephones. These call records can be included in Pacific's billing and collection process. The billing companies can accept net payments from Pacific and then remit payments to the carrier or operator service provider who handled the call.

2. The IECs can pay the PSSC based upon estimates until the IECs develop their own billing methods. The estimate can be derived from the gross amount of the PSSC due to the pay telephone provider multiplied by the market share that each IEC has for this type of call.

This alternative roughly follows the Federal Communications Commission model (Docket 91-35) instituted for COPT providers for dial around compensation.

3. A combination of the following:

a. The IEC rates, charges and remits the PSSC to the pay telephone vendor,
b. Use of a billing company and
c. An estimated payment.

EXHIBIT 3

BEFORE THE PUBLIC UT ITIES COMMISSION OF THE STA. OF CALIFORNIA

In the Matter of Alternative Regulatory Frameworks for Local Exchange Carriers.	I.87-11-033
And Related Matters.	Application 85-01-034 Application 87-01-002 I.85-03-078 C.86-11-028 I.87-02-025 C.87-07-024

RECEIVED

RESPONSE OF PACIFIC BELL (U 1001 C) TO MOTIONS OF MCI AND SPRINT FOR STAY OF RESOLUTION T-15782

We hereby respond to the Motions of MCI Telecommunications Corporation ("MCI") and Sprint Communications Company ("Sprint") for Stay of Resolution T-15782 (together the "Motions"). Resolution T-15782 (the "Resolution") implemented our Advice Letter 17014, as revised, and specifically directed InterExchange Carriers ("IECs") carrying three percent or more of non-coin intraLATA carrier access calls from pay telephones to file tariffs to bill, collect and remit the Pay Station Service Charge ("PSSC") Our advice letter was filed in compliance with Decision 95-06-062.

In their Motions, MCI and Sprint make virtually identical arguments. They argue that the PSSC will be preempted by the per call compensation scheme to be adopted by the FCC under Section 276 of the Telecommunications Act of 1996 (the "Act"), and that the Resolution needlessly requires them to implement costly system changes that will be "altered or abandoned" by the FCC regulations for compensation. Because MCI and Sprint make essentially identical arguments, we file a single response to both Motions

The Motions should be summarily denied on both procedural and substantive grounds. The Motions are procedurally defective because they are an untimely attempt to persuade this Commission to revisit long-settled decisions. The Motions should also be denied on substantive grounds. The Commission expressly addressed the effect of the Act, including the possibility of preemption, in the Resolution. Moreover, the per call compensation approach of the PSSC is in no way inconsistent with the compensation scheme to be adopted under the Act. The PSSC enables payphone providers to be compensated on a per call basis for the use of their payphones for certain intraLATA calls. MCI and Sprint offer no evidence that the work to be done in connection with the PSSC is in any way inconsistent with the work they will need to undertake in connection with the FCC scheme. Nor do they offer any plausible arguments, beyond sheer speculation, that the PSSC is or will be inconsistent with the FCC regulations. Further, if the Motions are not denied, our millions of dollars of revenue losses will continue to grow, and MCI and Sprint will continue to enjoy a "free ride" from payphone providers. For these reasons, the Motions should be denied.

I. THE MOTIONS ARE PROCEDURALLY DEFECTIVE.

The Motions should be denied on procedural grounds because they are an untimely attempt to revisit an issue that has been settled for nearly two years. The Commission originally concluded in its IRD Decision that "[i]t is fair to require IECs carrying intraLATA traffic to collect and remit to pay telephone providers the PSSC for intraLATA pay telephone noncoin calls completed using the IEC's facilities." (D.94-09-065, mimeo, p. 325, Conclusion of Law 132.)

MCI, Sprint and CALTEL sought modification of the IRD Decision, claiming among other things that Conclusion of Law 132 violated their procedural due process rights to notice and a chance to be heard. The Commission considered and denied all three petitions in its Modification Decision. (D.95-06-062.) The Commission reaffirmed its original finding that it was fair for payphone providers to be compensated for the use of their telephones to make calls that produced revenues to IECs. Modification Decision, Conclusion of Law 3. The Commission further concluded that applying the PSSC to IECs is fair in that it places IECs in that same competitive position as LECs. Id.

MCI and CALTEL then applied for rehearing of the Commission's decision denying their petitions. The Commission rejected their applications, noting among other reasons that the applications were untimely attempts to have the IRD Decision reheard. (D.95-09-126, mimeo, p.6; see also Rulemaking to Change Structure of Gas Utilities' Procurement Practices, (1992) 45 CPUC 2d 465, D.92-09-054.).

In October 1995, CALTEL petitioned the California Supreme Court for review of the decision to apply the PSSC to all non-sent paid intraLATA calls from pay telephones. The Supreme Court denied the petition in February 1996. We filed Advice Letter No. 17014 in compliance with the Commission's decision. The Commission's Resolution approved our Advice Letter implementing PSSC for IECs on March 13, 1996. The Resolution specifically addressed the protests filed to our Advice Letter on PSSC, and also specifically addressed the compensation scheme to be adopted under the Act and the issue whether PSSC is preempted.

It is clear from the lengthy procedural history of this matter that the Commission has carefully, and indeed exhaustively, considered and addressed each of the arguments advanced by MCI and Sprint. In fact, the procedural history suggests that Sprint and MCI have embarked upon a deliberate campaign to delay the application of PSSC to them by whatever means they can concoct. Continued delay of PSSC means that payphone providers are not receiving compensation that the Commission recognizes is due them. It means that our revenue losses, which through 1994 alone approximated 2.9 million dollars, and which for 1995 are estimated to be approximately 3 million dollars, continue unabated. Declaration of L. Taylor. It means that MCI and Sprint continue to enjoy a competitive advantage of receiving revenue-producing calls without passing on to the end user a charge that end users of Pacific and other major LECs must pay. For these reasons, the Motions should be denied.

II. THE MOTIONS SHOULD ALSO BE DENIED ON SUBSTANTIVE GROUNDS.

MCI and Sprint argue that they should not be required to implement PSSC because they will have to undertake costly systems development that will have to be "redesigned and newly implemented" (Sprint Motion at p. 2), or "altered or abandoned" (MCI Motion at p.4) upon promulgation of the per call compensation scheme to be developed by the FCC. They argue that the per call compensation scheme to be adopted under Section 276 of the Act will preempt the PSSC. Sprint Motion at p. 2; MCI Motion at p.6

These arguments ignore the fact that the Commission specifically considered the effect of the Act in adopting the Resolution. The Commission correctly pointed out that the Act does not necessarily preempt the Commission's jurisdiction to review our PSSC Advice Letter, and that further delay would only exacerbate our revenue losses. Resolution at p.4. Quite simply, the Motions ask this Commission to readdress an issue it has already decided. This approach should be rejected.

Moreover, there is no reason to believe that the PSSC will be preempted, or that Sprint's and MCI's investment to identify calls will be wasted. The FCC is authorized by the Act to preempt only inconsistent state regulation. Section 276(c). The PSSC is consistent with the express mandate of the Act--that payphone providers receive fair compensation for all completed interLATA and intraLATA calls but emergency and TRS calls.[1] The PSSC is one step, an appropriate step, in the direction mandated by the Act Given the fact that the PSSC is consistent with the per call compensation scheme mandated by the Act, the work that MCI and Sprint must undertake to implement PSSC is hardly likely to be redundant.

Although consistent with the Act, the PSSC is also not likely to be preempted because it is not a substitute for the compensation contemplated under the Act. The PSSC was adopted as a revenue-balancing formula within the intraLATA rate structure. It was designed to be revenue neutral to Pacific by reductions in Operator Service surcharges, which charges are not affected by

[1] Emergency and TRS calls to the set-up operator are not subject to PSSC because they are not revenue-producing calls. See The Workshop Report on Pay Station Service Charge in Response to Commission Decision 94-09-065 (the "Report"), submitted June 1, 1995 at p. 4, paragraph 2. The Commission adopted the Report's recommendations in its Resolution

the Act. The PSSC did not affect the carrier common line charges which will be replaced by the Act's per call compensation scheme.

Sprint and MCI both argue that they will have to make enormous investments, specific to California, to implement PSSC--one to two million dollars, according to Sprint (Sprint Motion at pp. 4-5) and more than 17 million dollars, according to MCI (MCI Motion at p.4). They state that they will need at least one and one-half years to implement the system changes. Even assuming for the sake of argument that these claims are true, they do not prevent implementation of PSSC. The CACD recommendations adopted in the Resolution provide for the PSSC to be paid by an allocation method pending development of the capacity to bill, collect and remit the PSSC. Report at p. 4, para. 7. The allocation method of payment will allow the PSSC to be implemented on an interim basis.

We are concerned that MCI and Sprint may use the allocation method as another opportunity to delay implementation of the PSSC and continue our revenue losses and the "free ride" they have enjoyed from payphone providers. Given the procedural history of delay and obfuscation on the part of MCI and Sprint in this matter, it would not be surprising if MCI and Sprint dispute the allocation method and refuse to pay PSSC billed to them by that method. To prevent further delay, we request that the Commission order MCI and Sprint to pay the gross amounts billed under the allocation method (without withholding billing fees), subject to a right to reimbursement of any amounts that are later determined to be incorrectly billed. The Commission should also order appropriate penalties for failure to timely pay.

Aside from the fact that PSSC can and should be implemented now, Sprint's and MCI's claims are questionable. Neither Sprint nor MCI offers any credible evidence supporting their estimates. Sprint offers no support at all for its claims other than a repeat of the cost estimates it offered at the CACD workshop. At the workshop, MCI offered no information concerning its expenses and implementation timetables. MCI now offers a declaration that is replete with conclusions and completely missing any supporting explanation or documentation for the costs. The supporting evidence should be given no weight. AT&T implemented PSSC at a cost of $200,000. Workshop Report at p. 15. Pacific Bell implemented PSSC at a cost of approximately

$300,000. Moreover, MCI has applied for a CPCN to become a CLC. To become a local carrier, MCI will need the capacity to identify and rate intraLATA calls. Having applied to become a CLC, MCI appears willing to make the investment necessary to do so. It should not now be allowed to avoid the obligations that it undertook in connection with local competition while enjoying the benefits.

Further, there is no evidence that MCI's and Sprint's investments will be useful only in California. For example, MCI's supporting declaration does not allege that the investment could not be used to identify compensable intraLATA calls in other states, or that the new platform for calling card traffic will not be necessary for the per call compensation scheme to be adopted by the FCC.

Sprint and MCI also argue that the Commission should stay its order because the Florida Public Service Commission stayed its proceeding on per call compensation. That stay was issued in a completely different procedural context. The Florida Commission's first hearing on a potential per call compensation scheme was scheduled in July 1996, and a special agenda was set in October 1996. Thus, the Florida Commission had only just begun to consider a comprehensive per call compensation approach when the Act was passed. In contrast, MCI and Sprint seek a stay here of a decision that was made nearly two years ago and that is consistent with the per call compensation scheme envisioned in the Act. Further delay will only exacerbate our losses and reinforce the obfuscating and delaying tactics adopted by Sprint and MCI.

III. CONCLUSION

For all the foregoing reasons, the Motions should be denied. There is no reason why MCI and Sprint cannot pay PSSC on an allocated basis pending implementation of systems allowing them to implement PSSC directly. The Commission expressly considered the effect of the Act in adopting its Resolution. We have lost millions of dollars in revenue, and payphone providers have been denied revenue to which they are clearly entitled. We respectfully submit that the Motions should be denied and Sprint's and MCI's free ride should end.

Dated at San Francisco, California, this 29th day of April, 1996.

MARLIN D. ARD
DAVID P. DISCHER
POLLY L. BROPHY

140 New Montgomery Street
15th Floor
San Francisco, CA 94105
Telephone: (415) 542-7747

Attorneys for Pacific Bell

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Alternative Regulatory Frameworks for Local Exchange Carriers.	I.87-11-033
And Related Matters.	Application 85-01-034 Application 87-01-002 I.85-03-078 C.86-11-028 I.87-02-025 C.87-07-024

DECLARATION OF LARRY TAYLOR IN SUPPORT OF PACIFIC BELL RESPONSES TO MOTIONS OF MCI AND SPRINT FOR STAY OF RESOLUTION T-15782 AND APPLICATIONS OF MCI AND CALIFORNIA ASSOCIATION OF LONG DISTANCE COMPANIES FOR REHEARING OF RESOLUTION T-15782

I, Larry Taylor, hereby declare:

1. I am a Project Manager for Pacific Bell. I make this declaration based upon my own personal knowledge and upon information available to me from Pacific Bell's business records.

2. I estimate Pacific Bell's 1995 revenue losses from the failure of MCI and Sprint to pay PSSC to be at least $3,000,000. Pacific incurred costs of approximately $300,000 to implement PSSC.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 29th day of April, 1996, at San Francisco, California.

Larry Taylor

Larry Taylor

CERTIFICATE OF SERVICE

I, Bonnie Stenson, certify that the following is true and correct:

I am a citizen of the United States, State of California, am over eighteen years of age, and am not a party to the within cause.

My business address is 140 New Montgomery Street, Room 2501, San Francisco, CA 94105.

On April 29, 1996, I served the attached RESPONSE OF PACIFIC BELL (U 1001 C) TO MOTIONS OF MCI AND SPRINT FOR STAY OF RESOLUTION T-15782 , and by placing true copies thereof in envelopes addressed to the parties in the attached list, which envelopes, with postage thereon fully prepaid, I then sealed and deposited in a mailbox regularly maintained by the United States Government in the City and County of San Francisco, State of California.

Executed this 29th day of April, 1996, at San Francisco, California.

PACIFIC BELL
140 New Montgomery Street
San Francisco, CA 94105

By: Bonnie Stenson
Bonnie Stenson

EXHIBIT 4

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

27

IN REPLY REFER TO:

RECEIVED SEP 4 1991

G. Mitchell Wilk
Commissioner
Public Utilities Commission
State of California
505 Van Ness Avenue
San Francisco, California 94102

Dear Mr. Wilk:

I am writing to you with reference to your letter regarding the California Payphone Association (CPA) and Pacific Bell. You state that California is in need of clarification from the FCC regarding the legality of local telephone utilities offering a "coin line" for the interconnection of privately owned pay telephones. You note that in a letter dated June 22, 1990, the Chief, Domestic Facilities Division, states that the California Public Utilities Commission can authorize coin line interconnection and accompanying standards. You indicate however, that Pacific Bell fears liability due to lawsuits from manufacturers that might claim that the offering of coin line service has harmed them due to the technical standards under which it was provided.

The California Payphone Association (CPA) has entered into a settlement agreement with Pacific Bell that, inter alia, requires Pacific Bell to make available a coin service line to the public in California. Part 68 of the FCC rules provides for registration of only instrument implemented coin telephones and does not allow registration of so called "dumb" payphones which function in conjunction with coin service lines.[1] CPA has filed at the FCC a petition for rulemaking to amend Part 68 to allow the registration of "dumb" pay telephones. CPA's petition is under consideration.

Although the FCC has not yet issued any new national payphone interconnection policies, the proceeding pending at the FCC should not deter the offering of a new competitive service in California under these

[1] Section 68.2(a)(1) provides that the rules and regulations in Part 68 apply to the direct connection "[o]f all terminal equipment to the public switched telephone network, for use in conjunction with all services other than party line service and coin service." 47 C.F.R. § 68.2(a)(1) (emphasis added). In Registration of Coin Operated Telephones, 49 Fed. Reg. 27763, at para. 9, July 6, 1984, the Commission distinguished "dumb" pay telephone sets from instrument implemented sets and authorized the registration under Part 68 of the instrument implemented pay telephone.

circumstances. We shall treat CPA's request for relief as a request for waiver of that portion of part 68 which disallows registration of "dumb" sets, 47 C.F.R. § 68.2(a)(1). Notwithstanding any rights the state of California might have to permit coin line interconnection, we find that it is in the public interest to grant CPA a limited waiver of Commission policy disallowing registration of "dumb" pay telephones. CPA may now request registration at the FCC of the instrument it seeks to connect to Pacific Bell's coin service line.

CPA states that the instrument it seeks to connect to the network complies with Part 68 of the rules in every respect but for the fact that it functions with a coin service line; however, no thorough analysis has yet been conducted. Pursuant to the waiver granted herein CPA may file with the Commission an application under Part 68 of the rules to register a non-instrument-implemented pay telephone for connection to a coin service line. No other section of Part 68 of the rules is waived and CPA is expected to comply with all sections of that Part including registration application procedures.

This waiver is limited to the particular circumstances of California's consent decree requiring Pacific Bell to offer a coin service line. Any equipment registration granted pursuant to this waiver shall be so conditioned. This waiver does not allow connection of equipment to coin service lines in any other state or under any circumstances not described herein. In addition, this limited waiver does not prejudge issues currently before the Commission in separate proceedings. In the future, should the Commission establish rules or policies governing interconnection of equipment to central office operated coin service, private payphone providers in California would be expected to comply with any applicable regulations.

Sincerely,

Gerald Vaughan/for

Richard M. Firestone
Chief, Common Carrier Bureau

cc: Martin Mattes, Esq.
Graham & James,
Attorneys for California Payphones Association

EXHIBIT 5

M. J. Miller
Regulatory Vice President

140 New Montgomery Street, R 814
San Francisco, California 94105
(415) 542-1266

PACIFIC BELL.
A Pacific Telesis Company

RECEIVED JUN 2 6 1992

June 25, 1992

U 1001 C
Advice Letter No. 16264

Public Utilities Commission of the State of California

We attach for filing the following changes in tariff sheets:

SCHEDULE CAL.P.U.C. NO. A5.

439th	Revised	Check Sheet	A
111th	"	"	D
1st	"	Sheet	476.5.4
	Original	"	476.5.5

This filing revises Schedule Cal.P.U.C. No. A5. Public Communications Service - Coin and Coinless, 5.5.3 Customer-Owned Pay Telephone (COPT) Service to concur with a Federal Communications Commission (FCC) ruling, File No. 1179-CX-92. This order dismisses an application by Protel, Inc., who sought to register a credit card/coin phone. This equipment is a non-instrument-implemented terminal equipment which is designed for connection to a telephone company coin line, under a limited waiver of Part 68 of the FCC's Rules and Regulations.

The FCC order focused on the absence of rules in Part 68 for non-instrument-implemented coin phones and that a formal rulemaking proceeding would be necessary in order to establish guidelines for approval of these applications. In lieu of such guidelines, the FCC suggested that Pacific could file appropriate exchange tariffs to address the necessary requirements for interconnection. Adoption of such a procedure would be the most expeditious solution in lieu of FCC approval.

This tariff filing is in support of that provision.

We would also like to correct the COPT Coin Line classification to a Category II product. In Advice Letter No. 16230, it was stated that the COPT Coin Line was a Category I. The COPT Coin Line is offered with features similar to those offered through our public pay phones. While the access line portion of the COPT Coin Line is classified as a Category I, the line features will be offered as a Category II service, however, the COPT Coin Line and features are offered as a bundled service, under one rate element.

Annual revenues are not affected by this filing and no new or additional cost information is required.

In compliance with Section III. G. of General Order No. 96-A, we are mailing a copy of this advice letter and related tariff sheets to competing and adjacent Utilities and/or other Utilities, and interested parties, as requested.

This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with other schedules or rules.

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must set forth the specific grounds on which it is based, including such items as financial and service impact. A protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. The address for mailing or delivering a protest to the Commission is:

Chief, CACD Telecommunications Branch
505 Van Ness Avenue, Room 3203
San Francisco, CA 94102

A copy must be mailed to the undersigned utility on the same date it is mailed or delivered to the Commission.

We would like this filing to become effective August 4, 1992.

Yours truly,

PACIFIC BELL

MJ Miller

Regulatory Vice President

Attachments

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS (Cont'd)
5.5.3 CUSTOMER-OWNED PAY TELEPHONE (COPT) SERVICE (Cont'd)
C. REGULATIONS (Cont'd)

6. COPT Coin Line

The COPT Coin Line is an optional service arrangement which allows a customer owned pay telephone subscriber to access services and features that the Utility normally provides its own pay telephones.

7. COPT Coin Line will be provided under the following conditions:

a. Telephone numbers of COPT Coin Line telephones will not be listed in the telephone directory.

b. Calling Cards will not be issued for COPT Coin Line telephones.

c. Refunds for uncollected overtime charges will not be made.

d. International Direct Distance Dialing is unblocked.

e. 900/976 calls will be blocked.

f. Coin refund is not included in this offering.

g. The COPT Coin Line is classified as Category II. The basic access line (T)
portion of the COPT Coin Line is classified as Category I, and the line (T)
features are classified as Category II. However, the COPT Coin Line and features are offered as a bundled service, under one rate element.

h. The customer's terminating equipment must be suitably equipped in order (N)
to utilize COPT Coin Line features. The customer provided equipment must meet the interface requirements as set forth in the following Bellcore technical references:

Set Specifications: Public Terminals Generic Requirements LSSGR TR-TSY-000456, Issue 1.

Coin or Charge-a-call: LSSGR TR-TSY-000528, Issue 1.

Line Characteristics: LSSGR-Signalling LATA Switching Systems General Requirements-TR-TSY-000506, Issue 2. (N)

Continued

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS (Cont'd)
5.5.3 CUSTOMER-OWNED PAY TELEPHONE (COPT) SERVICE (Cont'd)
C. REGULATIONS (Cont'd)

7. COPT Coin Line will be provided under the following conditions: (Cont'd) (N)

   i. The utility shall not be liable for any injury to persons or property resulting from the customer's interconnection of its terminating equipment with the COPT Coin Line. The customer shall defend, indemnify and hold harmless the utility from and against any and all claims, liabilities, damages or demands arising from or in connection with the customer's interconnection of its terminating equipment with the COPT Coin Line, including but not limited to injury to persons or property.

   j. Service may be terminated by the Utility for violation of these or any other tariff conditions, pursuant to Schedule Cal.P.U.C. No. A2.1.11. (N)

Continued